

Chapter 17

COSTS OF THE COMMISSION'S RECOMMENDATIONS

The long-range cost effects of both disbursements and income for the social insurance programs established by the Social Security Act (Old-Age, Survivors, and Disability Insurance and Hospital Insurance) as a result of the recommendations of the National Commission on Social Security have been presented in Chapters 4 and 13 (see especially Tables 4-19, 4-20, 4-23, and 13-3).

The short-range cost effects of the increased disbursements for all programs (not only OASDI and HI, but also Supplementary Medical Insurance, Supplemental Security Income, and Medicaid) and of the increased payroll-tax income for OASDI and HI are shown in Table 17-1. The estimates of disbursements take into account the interaction on each program of the recommended changes in all of the other programs. The estimates of the increased payroll-tax receipts take into account the increases in the OASDI tax rates for 1983 and after, the reductions in the HI tax rates for 1983 and after (when general revenue financing is introduced), and the extensions of coverage under both OASDI and HI in 1982 and in 1985 (see Chapter 8).

Table 17-1

INCREASES IN DISBURSEMENTS, IN PAYROLL-TAX INCOME, AND IN GENERAL
 REVENUE PAYMENTS TO OLD-AGE, SURVIVORS, AND DISABILITY
 INSURANCE AND HOSPITAL INSURANCE PROGRAMS
 UNDER NATIONAL COMMISSION RECOMMENDATIONS, 1982-86
 (in billions)

Calendar Year	Additional Disbursements					Additional Pay- roll-Tax Income for OASDI and HI	Additional General Revenue Payments for HI
	OASDI	HI	SMI	SSI	Medicaid a/ Total		
1982	\$1.0	\$3	\$1.2	\$3.9	\$3.5	\$9.9	\$4.1
1983	2.2	.1	1.8	5.5	3.9	13.5	3.3
1984	2.7	.2	2.1	6.1	4.3	15.4	3.9
1985	3.2	.3	2.4	6.6	4.9	17.4	-1.0
1986	3.9	.4	2.8	7.0	5.5	19.6	-6.2
							31.6

a/ These figures relate only to the Federal cost. The State costs are as follows (in billions): \$2.9 for 1982, \$3.2 for 1983; \$3.7 for 1984; \$4.1 for 1985; and \$4.5 for 1986.